

ATTACHMENT 8

Hoosier Business Investment Tax Credit (HBITC)

This program provides a credit against a company's Indiana tax liability to encourage capital investment in Indiana.

Description

The Hoosier Business Investment Tax Credit (HBITC) program was established to encourage capital investment in Indiana by providing a credit against a company's Indiana tax liability. The credit amount is based on a company's qualified capital investment with the final credit amount determined by the IEDC based on an analysis of the economic benefits of the proposed investment.

The Hoosier Business Investment Tax Credit is established by [I.C. 6-3.1-26](#).

Eligibility

IEDC may enter into an agreement with an applicant if the following conditions exist:

- The applicant's project will raise the total earnings of employees of the applicant in Indiana.
- The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana.
- Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not raising the total earnings of employees in Indiana.
- Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.
- The average wage that will be paid by the taxpayer to its employees (excluding highly compensated employees) at the location after the credit is given will be at least equal to one hundred fifty percent (150%) of the hourly minimum wage or its equivalent.

A taxpayer receiving the tax credit shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.

Calculation of Credits

A company's credit award may be up to 10% of their qualified capital investment and may be carried forward for up to nine years. The IEDC determines the applicable credit percentage and carry forward term on a case by case basis.

Venture Capital Investment Tax Credit

Program assists Indiana companies in raising capital by offering a tax incentive to individual and corporate investors.

Description

The Venture Capital Investment Tax Credit was established to improve access to capital to fast growing Indiana companies by providing individual and corporate investors an additional incentive to invest in early stage firms. Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana income tax liability.

The Venture Capital Investment Tax Credit is established by [I.C. 6-3.1-24](#).

Eligibility

This credit is available to any taxpayer who is an individual or entity that has any state tax liability. Pass through entities whose shareholders have Indiana income tax liabilities are also eligible for the credit. A taxpayer wishing to obtain a credit for investing in a qualified Indiana business must apply to the IEDC for a certification that the proposed investment plan would qualify for a credit. The total amount of tax credits certified by the IEDC for any calendar year may not exceed twelve and a half million dollars (\$12,500,000).

Upon certification, the taxpayer must provide qualified investment capital to a qualified Indiana business according to the taxpayer's certified investment plan within two (2) years after the date on which the IEDC certifies the investment plan.

After a taxpayer makes the investment, the taxpayer must submit proof of investment to the IEDC from which the IEDC shall issue the taxpayer a letter indicating that the taxpayer is entitled to a tax credit.

Calculation of Credits

The maximum amount of tax credits available to investors in a qualified Indiana business equals the lesser of:

- The total amount of qualified investment capital provided to the qualified Indiana business in the calendar year, multiplied by twenty percent (20%); or
- Five hundred thousand dollars (\$500,000)

If the amount of credit exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the taxpayer's following taxable years. A taxpayer is not entitled to a carry-back or a refund of any unused credit amount.

Economic Development for a Growing Economy Tax Credit (EDGE)

This program rewards companies that create new jobs and contribute to the growth of Hoosier income.

Description

The Economic Development for a Growing Economy (EDGE) tax credit program was created to reward companies creating new jobs and contributing to the growth of Hoosier income. EDGE credits are calculated as a percentage of payroll tax withholding for net new Indiana jobs. EDGE credits may be awarded for a term of up to ten years.

Each year a limited amount of EDGE credits are available for the retention of jobs in highly competitive situations.

EDGE is established by I.C. [6-3.1-13](#).

Eligibility

Applicants interested in the EDGE credits for creating new jobs must demonstrate the following conditions exist:

1. The applicant's project will create new jobs that were not jobs previously performed by employees of the applicant in Indiana.
2. The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment in Indiana and strengthening the economy of Indiana.
3. The political subdivisions affected by the project have committed significant local incentives with respect to the project.
4. Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not creating new jobs in Indiana.
5. Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.
6. A person may not receive credit for any jobs a person relocates from one site in Indiana to another site in Indiana.
7. If the business is located in a community revitalization enhancement district established under IC 36-7-13 or a certified technology park established under IC 36-7-32, the legislative body of the political subdivision establishing the district

or park has adopted an ordinance recommending the granting of a credit amount that is at least equal to the credit amount provided in the agreement.

Applicants interested in EDGE credits for job retention of existing jobs must demonstrate the following conditions exist:

1. The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.
2. The applicant is engaged in research and development, manufacturing, or business services.
3. The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year exceeds:
 - (A) for an application submitted before January 1, 2006, the average compensation paid during that same period to all employees in the county in which the applicant's business is located by at least five percent (5%); or
 - (B) for an application submitted after December 31, 2005, the amount specified by the calculation associated with one (1) of the following descriptions that characterizes the number of businesses in the NAICS industry sector to which the applicant's business belongs:
 - (i) If there is more than one (1) business in the same NAICS industry sector in the county in which the applicant's business is located, determine the average compensation paid during that same period to all employees working in the same NAICS industry sector in the county in which the applicant's business is located multiplied by one hundred five percent (105%).
 - (ii) If the applicant's business is the only business in the same NAICS industry sector in the county in which the applicant's business is located but there is more than one (1) business in the same NAICS industry sector in Indiana, determine the average compensation paid during that same period to all employees working in the NAICS industry sector throughout Indiana multiplied by one hundred five percent (105%).
 - (iii) If the applicant's business is the only business in the same NAICS industry sector in Indiana, determine the compensation for that same period corresponding to the federal minimum wage multiplied by two hundred percent (200%).
4. The applicant employs at least 75 employees in Indiana.
5. The applicant has prepared a plan for the use of credits for:
 - a. Investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or
 - b. Other direct business related investments, including but not limited to training.
6. Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.
7. Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

8. The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.
9. The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed significant local incentives with respect to the retention of jobs, as determined by the Indiana Economic Development Corporation (IEDC). Local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.
10. If the business is located in a community revitalization enhancement district established under IC 36-7-13 or a certified technology park established under IC 36-7-32, the legislative body of the political subdivision establishing the district or park has adopted an ordinance recommending the granting of a credit amount that is at least equal to the credit amount provided in the agreement.

Calculation of Credits

EDGE may be awarded for up to one hundred percent (100%) of the projected state income tax withholdings attributable to the company's Indiana project and may be awarded for up to ten (10) years. The company must commit to maintaining operations in Indiana for at least two (2) years beyond the term of the company's EDGE award.

Fee Free Locations

This provides use of any State or University owned property for Film/Media makers in Indiana.

The Fee Free Locations Exemption is established by Code [IC 6-3.1-26-5.5](#)
Eligibility

Film/Media Project must fill out a film permit and IEDC may enter agreement if all requirements are met

Hotel Lodging Tax Exemption

This provides persons occupying for a period of thirty (30) days or more an exemption of the six percent (6%) tax.

The Hotel Lodging Tax Exemption is established by [I.C.6-9-9-4](#)
Eligibility

Occupants must claim this exemption upon checking in.